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IRAQI LIGHT ARMORED VEHICLES

PRE-PROPOSAL CONFERENCE

APRIL 19, 2006

Pricing

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*Committed to Excellence - Supporting America's
Warfighters*

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Price Factor

- Price Factor Proposal – Volume IV
 - Financial Capability Information is due by April 21, 2006 (L.3.4.1)
 - Electronic Format for last three recent fiscal years
 - Data Should include: 1) Balance Sheet 2) Income Statement and 3) Statement of Cash Flows
 - Should be certified by your independent Certified Public Accountant (CPA) or equivalent
 - Provide name, title, address, telephone number and e-mail address of cognizant financial point of contact
 - Provide copy to cognizant DCMA and DCAA office



Price Factor

- Phase II Proposal Instructions (See L. 3.4.3.1)
 - Pricing Proposal Submission is due by May 5, 2006
 - The Offeror shall submit pricing information required by the Government to perform an evaluation of the reasonableness and realism of the offeror's proposed price in Attachment 005, Pricing Questionnaire- Four Part Microsoft Excel Spreadsheets
 - ❖ The Offeror shall provide all pricing information in U.S. dollars and assume a Firm Fixed Price proposal
 - ❖ Worksheet 1 requests that the Offeror provide Summary Level pricing for Each CLIN in the unprotected cells
 - ❖ Worksheet 2 requests that the Offeror provide Price Detail for the derivation of the vehicle unit price to include information for the subsystem prices and the basis for acquiring these items
 - ❖ Worksheet 3 requests that the Offeror provide Price Detail for the derivation of the Contractor Logistics Support for two years. This data should include the labor, material, and Other Direct Costs (ODC) for the two year Maintenance and Training efforts
 - ❖ Worksheet 4 requests that the Offeror provide Price Detail for the derivation of the spare parts list in support of the two year Maintenance and Training efforts



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- Phase II Evaluation (See M.2.5)
 - The Price Factor evaluation will consider the total evaluated price
 - ❖ The total evaluated price amount will be used in the trade-off evaluation
 - ❖ The total evaluated price amount includes all CLIN's for both ordering years
 - ❖ The Government's transportation evaluation will be applied
 - The assessment of the offeror's proposed price will include an assessment from a realism, reasonableness, and affordability approach utilizing the offeror's proposed delivery schedule in conjunction with their Pricing Detail for the delivery of the hardware and the execution of the CLS efforts
 - ❖ Realism measures "does the proposal price accurately reflect the Offeror's approach in meeting the solicitation requirements and objectives, as well as an expectation that the solicitation requirements and objectives will be met at a price that will not result in a net loss to the Offeror"
 - ❖ Reasonableness exists when the offered price does not exceed what would be incurred by a prudent person in the conduct of competitive business. The Government may reject a proposal which is not realistic, or not reasonable, as to price
- Affordability (See M3)
 - ❖ Funding is limited
 - ❖ Target price is \$492,000 per ILAV
 - Proposals exceeding this amount will not be considered unaffordable by definition
 - Proposals will be evaluated in accordance with the price/non-price trade-off factors
 - The risk of becoming unaffordable does increase with substantial growth above the \$492,000 figure